

**IN THE MATTER OF FACTFINDING**

**between**

**Poweshiek County,**

**PUBLIC EMPLOYER**

**and**

**Public Professional and Maintenance**

**Employees, IUPAT Local 2003 (Roads)**

**EMPLOYEE ORGANIZATION**

**REPORT OF THE FACT-FINDER  
with  
FACTFINDER'S RECOMMENDATIONS**

**Iowa Public Employment Relations Board**

**CEO #1098 /Sector 2**

**Hearing Date: January 20, 2009**

**Dennis A. Krueger**

**Fact-finder**

**APPEARANCES**

**For the Employer:** Renee Von Bokern, County Negotiator

Diana Dawley, County Auditor

Mark Bair, County Maintenance Superintendent

Lamoyne Guard, County Supervisor

Lyle Brehm, County Engineer

**For the Union:** Joe Rasmussen, IUAPT Business Representative

Stan Hauser, Bargaining Team Member

Ed Kline, Bargaining Team Member

Rick Warden, Bargaining Team Member

## **BACKGROUND**

Of relevancy to this hearing is the fact that the Iowa Public Employment Relations Board certified PPME Local #2003 as the bargaining agent for this "Poweshiek County Roads Unit" in October of 2002. See Iowa Public Employment Relations Board Case Numbers 2774 and 6553. The Bargaining Unit was amended by stipulation on January 24, 2003. The certified group has remained constant since that time covering all employees of the Poweshiek County Secondary Roads Department including Utility Worker I, II, and III, Mechanics I and II, Field Assistant, Shop Foreman, Transfer Station Superintendent. See Joint Exhibit #1.

The first collective bargaining agreement for this particular certified group became effective July 1, 2003, for the 2003-2004 Master Contract. Joint Exhibit #2 is the Fact-finder's Recommendation and Joint Exhibit #3 is the Arbitration Award for that first contract. Since that time the collective bargaining agreements have been settled voluntarily by the parties.

During the negotiation of this contract, initial proposals were presented by the Union on September 15, 2008, with the County responding on September 29 with its initial proposals. Negotiation sessions were held on October 22 and November 17 with the later session including the County Sheriff's Office bargaining team and the Employer's insurance consultant. Mediation was held on December 15 and was unsuccessful so the parties continued on the statutory path of reaching final agreement utilizing this fact-finding component.

## HEARING

This matter came for hearing at 8:30 AM on January 20, 2009, before the undersigned fact-finder who was appointed as impartial fact-finder pursuant to Section 20.19 and 20.21 of the Iowa Public Employment Relations Act and mutual agreement of the parties. Both parties were afforded a complete opportunity to present written evidence and witnesses, to examine witnesses, to argue their respective positions, and to make closing statements. The oral hearing concluded at approximately 1:00 PM on January 20, 2009. The parties chose to not file written briefs, and the record on which this decision is based was closed at that time. The parties agreed that there existed no negotiability disputes. The parties indicated at the hearing that no waiver of the statutory timelines existed and they were following the timelines within the Public Employment Relations Act. The fact-finder indicated he would render his written recommendations as soon as possible and within the statutory 15 day time period from the hearing date. The recommendation of the fact-finder is to be issued by placing the award in ordinary mail addressed to the parties as designated on the appearance sheet completed by the parties. An electronic copy will also be emailed to the two advocates at the time of mailing.

In rendering these findings and the recommendations, the fact-finder has given full consideration to all reliable information and evidence relevant to the four impasse issues presented to him at this hearing. The neutral has also reviewed the complete written record and testimony, objections, and arguments of the County and the Union as well as notes and audio tapes taken during the hearing. The fact-finder has specifically reviewed, considered, and used the criteria specified for arbitrator consideration in Section 20.22(9) of the Iowa Code. This is only logical given any arbitral review of these recommendations will utilize these criteria and the probability of such is relatively high in most cases. Specifically this statutory listing of criteria obligates me to consider, in addition to other relevant factors, the following:

- (a) Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.

- (b) Comparison of wages, hours, and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- (c) The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of such adjustments on the normal standard of services.
- (d) The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

### **GENERAL DISCUSSION OF CRITERIA**

a) PAST CONTRACTS: The County and the Union provided Joint Exhibit #1 which is the current 2008-2009 Collective Bargaining Agreement. That document was the only complete master contract entered into this record. In bargaining the first contract between Poweshiek County and PPME Local #2003, which was for 2003-2004 contract year, both fact-finding and arbitration were utilized as part of the impasse process. Joint Exhibit #2 which was the Fact-finder's report and Joint Exhibit #3 which was the Arbitrator's award were made part of this record. Since that time, the settlements have been voluntary between the parties. The County made its point that over those years of bargaining many provisions were placed into the contracts as a trade for another wanted item – *a quid pro quo*. This neutral fully understands that collective agreements have been built over the years with many different language blocks; and that change or removal of some of those blocks could (or could not) have a major impact on the remainder of the collective agreement and existing relationships. However, in this case, language changes (or any contract language for any previous years) were not provided and any specific "quid pro quo's" were not given. Balancing that concept is the belief that comprehensive agreements are "living" documents that must be responsive to pressures and problems as they present themselves. Such pressures and problems in this dispute would include, but not be limited to, items such as the national, state and county economic turmoil and the vast changes in insurance options and

coverage. This neutral has reviewed the realm of historical facts as appearing in the record within the Joint Exhibits #1, #2, and #3, as well as some specific historical points made on individual exhibits (e.g. Union Exhibit #19 enumerating historic settlements), and factored them into the structuring of these recommendations to the parties.

**b) COMPARABILITY:** Internal and external comparisons were utilized by both parties with arguments made relative to the strengths or weaknesses of each. This neutral has studied and utilized both comparisons while affording appropriate and relative weight to those units comprising each different group. This neutral has given attention to the comparability groups as presented by both parties in earlier impasse proceedings and reviewed the discussions of the previous fact-finder and arbitrator as they might have relevance to the comparability grouping in this case. I have also factored in the timing of the generation of those groupings and current modifications made by the parties for this presentation. While both the County and the Union presented different lists of other counties for comparative purposes, there exist more similarities than differences:

<b>UNION</b>	<b>COUNTY</b>	<b>DIFFERENCES</b>
Benton	Benton #	
Iowa	Iowa #	
Jasper	Jasper #	County – Not Comparable
Keokuk	Keokuk #	
Mahaska	Mahaska #	
Marshall	Marshall #	County – Not Comparable
Tama	Tama #	
Washington	Washington	New to <u>both</u> County and Union

Buchanan	Union – Not Comparable
Grundy	Union – Not Comparable
Hardin	Union – Not Comparable
Marion (NCB)	County – Comparable
	Union – Not Comparable
	FF – ARB – Not Comparable

# indicates contiguous counties to Poweshiek

(NCB) indicates that Roads Unit is not unionized

In reviewing the bargaining history of comparability as evidenced primarily by Joint Exhibit #2 and Joint Exhibit #3, both the previous fact-finder and the arbitrator migrated toward counties that were located geographically contiguous with Poweshiek County. This is logical since roads do not stop and travel does not cease at the county line. Arbitrator Gallagher states correctly that “individuals living in these counties share similar buying power, common labor markets, and educational opportunities, accessible to them by a relatively short commute.” Additionally, this geographic proximity creates a competition in the respective labor markets and provides *interactions between communities and individuals.*

Both previous neutrals cited that Marion County Road Workers were not unionized and hence covered by policy which can be changed unilaterally, and not by a collective agreement requiring bilateral negotiations. Based on a well-established and largely accepted principal by neutrals, I am not going to give weight to the Marion County data for this reason. This action would be equally true whether data appeared above or below average data. This neutral notes that the Union and the County included Washington County in their comparability exhibits for this presentation. The County did not object to this inclusion, and so given this mutuality, I will include

Washington County in the Comparability Group. In essence I am keeping the eight county comparison group cited by the Arbitrator, however, I am replacing Marion with Washington County. This makes for a concentric ring of contiguous counties surrounding Poweshiek County.

In looking at County Exhibits #12, #15, and #18, data is missing for Hardin County. While County Exhibits #7 and #8 are the basic rationale provided by the County for their grouping, this neutral feels more detailed rationale beyond county populations and county seat populations is needed before total acceptance of a new group. For example, the county seat town (Montezuma) may not have the largest population (Grinnell). Likewise, if we start to include counties essentially in the second concentric circle around Poweshiek County, more problems develop related to population, distance, size differential, financial balances, etc. As an example of this, the first "ring" of counties has a population range from the smallest county (Keokuk at 11,352) to the largest (Marshall at 39,103) of 27,751. The second "ring" of counties would have a population range from the smallest (Monroe at 7,796) to the largest (Polk at 388,606) of 380,810. The line of which counties to include and exclude from that ring becomes more blurry and the logic less appreciated. Lacking firm rationale to include Grundy and Buchanan counties in the "second ring" and exclude the other counties in the ring, I feel more comfortable using the eight bargaining counties that are most contiguous. The comparability group which I then focus upon is the following:

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**COUNTIES SELECTED FOR COMPARABILITY PURPOSES**

Benton	Mahaska
Iowa	Marshall
Jasper	Tama
Keokuk	Washington

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One concern of any neutral in utilizing comparability is using an "apples to apples" or a "true" comparison when analyzing the data contained within the exhibits. Both the Union and the County did a good job of providing facts and data to this neutral, however, in so doing there has been a mix of comparability groups, factors compared, information format and descriptors used from issue to issue. As an example on the topic alone of appropriate comparability groups, County Exhibits # 7 and #8 include information about county population, county seat population, retail shopping areas, college towns, and a map. Union Exhibits #1, p2-3 and #2 includes data regarding county populations (slightly different than County population numbers) and rank, fact-finding and arbitration references, median income, and property valuations. This neutral prefers looking at the actual dollars to employees and the actual costs to the Employer as well as several other factors, including the need of the parties for contract changes and what is happening to relative position of the bargaining unit and the quality of labor relations. This allows the undersigned to compile the most accurate and detailed factual picture to reach the best possible conclusions.

c) ABILITY TO PAY AND PUBLIC WELFARE: While the County did not argue a true financial inability to pay in this instant dispute or make it a lynchpin of their case, they did argue a "relative (political) inability" given the economic downturn in this geographic region and around Iowa and the nation. See County Exhibit #1. Given the differences in public and private sector, I agree with the previous arbitrator that "the County's private sector arguments are unpersuasive." This neutral has reviewed carefully the budget and financial figures contained in this record as a whole, and compared them with historic financial conditions. See Joint Exhibit #2, Joint Exhibit #3, Union Exhibits #2, #5, #6, and #7. Poweshiek County ranks fourth in FY09 Property Valuation (U-#2) with that valuation increasing each of the past four years (U-#6), sixth in Population, and ninth in Median Income within the Comparability Group. Total Poweshiek County revenue increased from \$10,738,515 in FY2007 to \$11,054,326 in FY 2008 (U-#5). While



expenditures did increase during that fiscal year, the reserve carryover also increased during that time and was over 55% of total revenue. (Union #5).

Downsizing, privatization, prioritization and reallocation of budgets have all occurred according to testimony. The size of this bargaining unit has decreased from roughly 30 to 25 employees in recent years. In any inability to pay claim, the burden falls upon the employer to prove that claim. In this case the undersigned has reviewed carefully the County's actual facts and found them to be wanting in substantiating any inability claim. This neutral, in looking at the costing of the recommendations which follow, views them to be within the financial parameters of Poweshiek County.

While Poweshiek County is not immune from economic problems and concerns, neither are comparable counties and neither are the employees within this County. The supervisors have seemingly a competent grasp of the budget and are looking toward the financial future. It is not for this neutral to tell the Board of Supervisors how to fund, for that is their elected responsibility. Admittedly it may not be an easy task at times. It is for me to determine that the settlement package is fundable and in the public welfare. The public welfare is best served by balancing the cost of doing business and being competitive at the county level with providing its workforce with livable wages and benefits as citizens of Poweshiek County and Iowa. These concepts have been kept in the forefront as my recommendations have been determined.

d) POWER TO LEVY AND APPROPRIATE FUNDS: While the County certainly has the power to levy taxes, it is noted that some levies have not been used and some levies are not at maximum. This recommendation may well be met without any specific tax increases to cover any associated costs for this bargaining unit. It is the responsibility of the County to prioritize and appropriate funds within its budget, or to levy, or to not levy, taxes as the County determines and this neutral is not going to interfere with that responsibility.

## STATEMENT OF THE IMPASSE ITEMS

### ISSUE #1 – OVERTIME

#### Union Position:

Increase the compensatory time maximum in the third paragraph of Overtime and Compensatory Time from 80 hours to 120 hours.

#### County Position:

#### Current Contract Language

A brief summary of comparability data is provided within the table below:

UNION	COUNTY	HOURS	CARRYOVER
Benton	Benton #	240 Hours	No
Iowa	Iowa #	120 Hours	40 Hours
Jasper	Jasper #	100 Hours	50 Hours
Keokuk	Keokuk #	80 Hours	Yes
Mahaska	Mahaska #	24 Hours	Yes
Marshall	Marshall #	0 Hours	No
Tama	Tama #	24 Hours	No
Washington	Washington	80 Hours	No
<hr/>		<b>AVERAGE</b>	<b>83.5 Hours 4 No/4 yes</b>

This neutral understands the fact that the hours for the county roads personnel can be a roller coaster given the weather Iowa has experienced, especially in the most recent past two years. Compensatory time within the master agreement is one method of responding to long and

unusual hours while keeping in mind work schedules and the total budgetary constraints. Union Exhibit #8 and County Exhibit #9 indicate the wide range of benefit levels going from 0 to 240 hours with half of the comparative counties having carryover and half not. The Poweshiek County Roads Workers are placed somewhere in the middle when looking just at hours and carryover and averages from a numerical viewpoint.

The County in Exhibit #9 cites in the paragraph at the bottom that comparisons need to go beyond just the numbers and look closer at how the different systems are implemented, such as “paid and zeroed out each year”, or suggesting the Iowa County model with “a one week notice, supervisor scheduling time off, and all paid at the end of the year except for 40 hours.” While there are numerical and language differences, this neutral sees no glaring or stark disparities in this overtime area and Poweshiek County falls somewhere in the middle of the comparability group.

The record is void of any specific problems or situations arising from employees surrounding this request. While Union members would like to have increased benefits in this area, there was no specific evidence or testimony of individuals being unduly harmed by the current level of benefits. As such, the personal, as well as the personnel, need is lacking for this neutral.

#### **ISSUE #1 – OVERTIME**

#### **RECOMMENDATION:**

#### **CURRENT CONTRACT LANGUAGE (County Position)**

## **ISSUE #2 – LEAVES OF ABSENCE**

### **Union Position:**

***Insert a NEW Article between Article 20 and 21 entitled Personal Leave to read:***

**Each regular full-time bargaining unit employee shall be credited with one (1) personal day each July 1 to be used for whatever purpose the employee chooses. Personal days may be taken in one (1) hour increments and may be used to extend vacation or any other paid leave of absence. Personal days must be used during the fiscal year or be forfeited. No reimbursement will be made for unused personal days upon separation from employment. Employees must obtain approval from their department head or his designated representative at least during the previous day, except in emergencies, to receive personal leave for an absence. Approval by the department head or his representative shall not be unreasonably denied. Emergency is defined as a sudden unforeseen and unexpected happening or occurrence requiring the employee's attendance.**

### **County Position:**

#### **Current Contract Language**

*In first looking at the comparability of personal leave days in other contracts, the following table becomes helpful*

<b>COUNTY</b>	<b># OF HOLIDAYS</b>	<b>PL/FLOATERS</b>	<b>CO EX #11</b>
Benton	10	1 Personal	1
Iowa	11	1 Floater	0
Jasper	8	2 Floaters	0
Keokuk	10	1 Personal, 2 Floaters	2
Mahaska	9	2 Personal	2
Marshall	9	1 Floater, ER discretion	?
Tama	11	1 Floater	1 Holidayfloater
Washington	9 + 2 half days		1

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<b>AVERAGE</b>	<b>9.75</b>	<b>1.375</b>	<b>0.875</b>
<b>Poweshiek</b>	<b>10</b>	<b>0</b>	<b>0</b>

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In reviewing the exhibits regarding the potential addition of a personal leave day (Union Exhibit #9 and County Exhibit #11), the undersigned finds some of the evidence not totally explained in that the actual contract language is not presented for review. It seems that Poweshiek Road Workers are near or slightly above the average number of holidays for the comp group. When then analyzing personal leave, which is the issue before this neutral, there exist discrepancies between the County and the Union data. Union shows 2 Floaters for Jasper County and County indicates 0, Union shows 1 Floater for Iowa and County shows 0. The County states on Exhibit #11 that "Any comparison of personal days without knowing all the time off provisions in each county is meaningless." Yet the County provides no evidence to support that statement. In fact, it is the Union that attempts to provide the interaction of holidays, personal leave, floaters, and even sick leave conversion to vacation days. This neutral has no way of resolving the conflict through a reading of the comparable contract language since it was not provided by either party.

A concern of this neutral is that the above NEW paragraph adds much language to the existing collective bargaining agreement beyond just the one numerical day of personal leave. It also adds procedures, increments, extensions of vacation, non-reimbursement, approval and timelines for same, definition of emergency, and so on. While this neutral is not opposed to adding language when comparability, need, and the ability to fund are present in varying degrees, I do not want to place a large amount of new language in a contract that could conceivably become 'grievance bait' during the contract term for the parties. While this concern was not raised by management, I do think one hour increments could become a bookkeeping nightmare and create unanticipated time and work problems. The need or use of this added day seems also to be

lacking, although the Union did an excellent job proving comparability and showing the mix of different time-off provisions in other collective bargaining agreements.

If the County had a larger source of available funding, this neutral would probably consider the addition of not the Union's proposal but a modified version certainly without the ability to take one-hour increments. The bottom line at this time is the financial bottom line and this neutral believes that funds used in this area could best be spent elsewhere in the settlement. For that reason, I make the following recommendation:

## **ISSUE #2 – LEAVES OF ABSENCE**

### **RECOMMENDATION:**

#### **CURRENT CONTRACT LANGUAGE (County Position)**

## **ISSUE #3 – INSURANCE**

### **Union Position:**

Decrease the employees' contribution for family health insurance from \$225 per month to \$175 per month, and add a provision to waive the up-front deductible for office calls with a 20% employee office call co-pay that applies to the employee's out-of-pocket maximum for the year.

### **County Position:**

Increase employees' contribution for family health insurance from \$225 to \$250 with the remainder of the article remaining current contract language.

This issue was clearly the most contentious and debated issue that the parties placed before this neutral. More time and more exhibits covered this issue than any other area of the contract with more emotion being expressed as well.

As I have stated on other occasions, the entire area of health insurance with complex and convoluted changes in cost, coverage, and benefit levels are of substantial concern to this neutral. There are many relevant factors that could potentially have a bearing on this insurance issue and the historic relationship of the parties at the bargaining table. While cost, as it relates to premiums, deductibles and out of pocket expense, is certainly one factor in the insurance benefits area, so too is plan design. I find it not totally surprising that the parties have not reached agreement on this article given that only two bargaining sessions (with the second a "joint" session used to obtain information and data) and one mediation session were held. Plan design takes much time, energy, concern, data and creativity to find positive new options and direction.

A "Request for Proposal" (or RFP) of comparative plans and rates with specific benefit costs for several options would allow the parties and this neutral to perform a more accurate study, especially focused on return-on-investment in the insurance area. The focus present in this hearing seems to be on which party will contribute what sum of money in return for what benefits. The County wants the employees to contribute more to the cost of the current plan. The Union wants the employees to contribute less to the cost of the plan and have an offset for office visits. This neutral would suggest a more-detailed discussion around plan design changes which would impact premium which in turn would impact contributions made by both the County and the employees. The historical example of this would be the addition of a wellness program which at one time lowered premiums as well as helped employees by both stabilizing premium contributions and adopting a healthier lifestyle hence lowering premiums on a long-term basis.

An indication of "we know it will save (or cost) us money" is not sufficient for this neutral. Which changes have the greatest impact on the premium or the least? What is the change with the best value for maintaining quality coverage? Is this simply transferring the costs of County to the employees? What are the most important benefits to protect for both the County and the Union? There is no magic formula for the determination or selection of insurance plans resulting in the costs and benefits. It takes time, work, study, and the making of difficult decisions based on specific bargaining unit demographics and costs. A bargaining unit of young healthy participants can have quite a different plan with lower costs than an aging group with several high risk or costly health issues among the participants.

Joint Exhibits #2 and #3 with Union Exhibit #10 and County Exhibit #20 delineate somewhat the history of what has happened with plan changes over the years and then describe the rocky move into collective bargaining concerning insurance changes since 2002. The Fact-Finder stated in his earlier report, *"It would appear to the undersigned the County is not fully funding for the potential claims exposure of the plan."* The Arbitrator also found that *"...the County has under-funded the program by \$200 per month (against the advice of the TPA) for each of thirty-seven family plans in the County."* She goes on to determine that *"County employees are paying substantially more for premiums than their public counterparts."* The County shows the greatly increasing costs (premiums) in recent years. While the County cites that this plan has worked remarkably well (County #20), this does not seem to be the case all the time (Joint Exhibit #2 and Joint Exhibit #3).

Union Exhibit #15 indicates that for FY 2008 the Total Income for Health Plan Trust Fund was \$1,309,022 with Total Expenses of \$1,170,824. This dropped the Fund Balance from \$616,881 to \$571,354, which was still an increase from FY 2005 (\$526,778) and FY 2006 (\$526,747). A more detailed analysis of the Trust Fund would be helpful, however, suffice it to indicate that both the County and the Union have a keen interest in maintaining the strong solvency of this fund.



The current plan is self-funded. This is a major concern for this neutral. In looking at the history of premiums and contributions, this neutral is not convinced that self-funding is the most appropriate path for this County. The County indicated that it has approximately 79 employees (County #21) covered under the plan. Most of the data I have reviewed over many years indicates a group of at least 100 employees, or even a much larger group of 250 to 500 employees, is needed to spread the insured risk appropriately and not place the finances of any employer in jeopardy. This would mean that the County is at or below the normally recognized number of participants to make a self-funded group sustainable. This may be one of the reasons for the larger premiums and costs. This in turn means that the County is choosing to retain the risk associated with its employee benefit plan rather than pass it on to an insurance company or HMO. The statement that "Employees have maintained almost the same insurance benefits for the last 20 years..." scares this neutral in that it says needed changes in funding and proactive benefits have probably not been made. Some of the current problems seem to be rooted in plan design and it is the suggestion of this neutral that both parties look more seriously at some (preferably gradual) changes that can be mutually agreed upon very soon.

This neutral is relegated to review the record, the mandatory topics and the issues presented. The record contains much information and many facts; however, some of the corresponding pieces of data and comparable premiums do not agree – perhaps because of years compared or units compared. This neutral also has no way of determining the total level of insurance or actual benefits provided in other counties for the premiums or contributions. A one or two-word descriptor lacks the detail needed for a thorough or deeper study.

In looking at the comparables used by the parties, one must be cognizant of the various components – single deductibles, family deductibles, out of pocket maximums for single and family, single and family premiums, the differences between actual and projected costs and increases, etc. While providing some guidance in my determination, it is the evidence before me

in this record that guides my findings. In using our identified comparability group, we find the following facts:

**AMOUNT OF INSURANCE PREMIUMS PAID BY COUNTIES (County # 15 & 16)**

COUNTY	SINGLE	FAMILY	DEDUCTIBLE
Benton	\$396	\$798	500/1000
Iowa	\$447 + SD	\$973	?
Jasper	\$559	\$890	3 Plans
Keokuk	\$587	\$906	100/200
Mahaska	\$523	\$1095	500/1000
Marshall	\$528	\$1075	500/1000
Tama	\$554	\$1203	500/1000
Washington	\$509	\$966	250/500; 1000/2000

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<b>AVERAGE</b>	<b>\$513+</b>	<b>\$988</b>	
<b>POWESHIEK COUNTY</b>	<b>\$741</b>	<b>\$1365</b>	<b>500/1000</b>
<b>DIFFERENCE</b>	<b>\$228</b>	<b>\$377</b>	

The premium paid by Poweshiek County is in the neighborhood of \$228 higher for single premiums and \$377 higher for family premiums than comparable counties in our contiguous geographic area. This is true even with the deductible amounts appearing much the same as other counties. Some of the difference is plan design and some of this difference is the composite rate which includes dental and vision coverage. More than anything, this data supports exactly the premise discussed earlier related to plan design and the need for review.

Another important component is not only what the employer is paying toward the insurance premiums, but what the employees are paying toward the premiums to help offset these costs.

That information is provided below in the table:

**AMOUNT OF INSURANCE PREMIUMS PAID BY EMPLOYEES (County #17)**

<b>COUNTY</b>	<b>AMOUNT</b>	<b>PERCENT OF PREMIUM</b>
Benton	\$140	15%
Iowa	\$117	11%
Jasper	\$73	8%
Keokuk	\$190	17%
Mahaska	\$121	10%
Marshall	\$144	16%
Tama	0	0%
Washington	\$200	17%
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<b>AVERAGE</b>	<b>\$123</b>	<b>11.75%</b>
<b>POWESHIEK COUNTY</b>	<b>\$225</b>	<b>14%</b>
<b>DIFFERENCE</b>	<b>\$102</b>	<b>2.25%</b>

The amount of insurance premiums paid by employees of Poweshiek is \$102 higher and approaching twice the average of other employees in counties within the comparability group.

The Poweshiek employees are contributing 14% of the premiums indicative that they have not dodged accepting some of the responsibility for insurances with this contribution.

The undersigned neutral feels as though the problems facing our national economy are analogous to the insurance issue presented here. Both parties want to essentially solve the problem by throwing money at it in one form or another without making any substantial or

meaningful changes to the system itself. Money alone, in one form or another, will not help without some changes in the "system" the parties are utilizing for insurance benefits. Self-funding may be a great concept for dental and vision insurance, and yet perhaps not so great for a small group health and major medical policy. The sub-issues on which I am making recommendations are only the tip of the ice berg. I am making these suggestions because of the history of the plan and its benefits and the fact that in the last bargain, it seemed that Union and the County were starting to move in a positive direction toward alternative plan construction. This move appears in Union Exhibit #11 and #12 and the "Letter of Agreement" which was intended to facilitate but not guarantee change. The Union has increased premium contributions by employees and it has raised its deductibles indicating the receptivity to positive changes. While not making the full trip, it seems to have made an attempt to match a "new" plan with some comparable plans of larger groups. I will also note that some benefits are highly visible to plan participants such as office visit co-pays and costs because of everyday use, while other benefits may be more important when extreme health concerns appear. I realize the County may well feel frustrated that a meeting happened on November 17, 2008, and nothing was agreed upon or has been agreed upon. That session in my mind was data gathering and not negotiating. The information had to be disseminated, prioritized, and then brought to the table for more discussion prior to mediation.

The facts indicate that the employees are paying over two hundred dollars above the average for single premiums and three hundred dollars for family premiums at a 14% contribution rate. The record also indicates that recent changes have been made by the employees in the areas of employee contributions and deductibles. There is a real concern that costs and premiums may be causing employees to opt out of family coverage thus creating a form of adverse selection driving premiums even higher. There seems to be some stability in the Health Fund Trust in recent years.

The County argues that wages and insurance cannot be analyzed separately and this neutral is not doing that. It also states that the squeeze that Poweshiek County is facing is not getting tradeoffs as other counties are getting and arguing that they are at the top in both wages and insurance. As will be discussed below, I do not find wages to be "at the top" until perhaps after couple decades of work when longevity provisions accumulate on the wage scale for employees. I also discern a difference in spending dollars for insurance and the benefits received. This County does spend more but that is dependent on the benefit levels and is negotiable. Just having a position of requiring the employees to pay more to solve the concern is a short term response and will not solve the long term problem. County Exhibit #17 indicates that if there are no changes to health insurance, the employees contribution will shrink to 13% on July 1, 2009. This will still leave Poweshiek road workers contributing above the County's comparability average of 11.25%.

For these and other reasons, the following insurance recommendation is made:

### **ISSUE #3 – INSURANCE**

#### **RECOMMENDATION:**

**Maintain the employees' contribution for family health insurance at \$225 per month.**

**Add a provision to waive the up-front deductible for office calls with a 20% employee office call co-pay that applies to the employee's out-of-pocket maximum for the year.**

## **ISSUE #4 – WAGES**

### **Union Position:**

**Increase all hourly wage rates of 7-1-08 effective July 1, 2009 by the amount of ninety cents (\$0.90).**

### **County Position:**

**No change to current hourly wage rates. Freeze all employees' wage rates.**

The Union has a 5% across-the-board (ATB) wage adjustment on the table as its fact-finding position. The County has a wage freeze or 0.0% wage adjustment as its fact-finding position. At the onset of this analysis it is noted that both parties are too extreme in their official positions and neither position is sustainable with the current set of facts in this record. For the rational answer, we turn to the record made by the parties.

The intertwining and seesaw effect of the salary and insurance articles is evident and noted. This neutral has not overlooked this relationship, and the cost, and the budgetary impact related to settlement of this dispute. Both parties are arguing the need to insulate or protect themselves from increases or costs associated with insurance coverages, especially health and major medical. Both are worried and concerned about the escalating rates and the ability to maintain quality benefit levels. There is no immunity from deteriorating economic forces. That statement applies equally to the County and to the employees that make up the bargaining unit. While there is an increased cost associated with this settlement, there is also the cost of doing business in the arena of county governments. The neutral also realizes whether balancing a personal budget or the budget of Poweshiek County, the choices are not always easy. All attempts have made to research and structure this total recommendation to be within the parameters of acceptability for both parties. Although certainly there will be specific components that each side will not embrace, they must look at the total package in the insurance and wages articles, and perhaps other contract areas as well.

While identifying and constructing one comparability group to carry the greatest weight, the undersigned has taken the time to view other groups cited by the parties, especially as it relates to obtaining a feeling for a settlement trend at this early juncture in the road. Both sides provided several different comparability perspectives for consideration and argument related to the wage article. All were reviewed but each group had a different relative weight when influencing this recommendation with the constructed Comparability Group carrying the greatest weight.

Joint Exhibits #2 and #3 provided this neutral with some insight of historical wage negotiations. Around the time of the 2001-2002 and 2002-2003 wage comparisons, the data indicated that Utility II's were \$0.61 per hour behind the comparables and were falling farther behind to \$0.87 per hour. See Joint #3 at pages 30-31.

Union Exhibit #19 provides relevant insight into the wage settlements occurring in the intervening years. This internal settlement history provides a "Poweshiek perspective" of what happened with wage settlements and how they impacted the comparability groups used in this hearing.

**History of Negotiated Wage Increases for Poweshiek Roads**

**July 1, 2003    44 cents (arbitration award)**

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**July 1, 2004    40 cents**

**July 1, 2005    50 cents**

**July 1, 2006    60 cents**

**July 1, 2007    60 cents**

**July 1, 2008    60 cents**

Excluding the imposed arbitration award for July of 2003, the parties have voluntarily agreed to wage increases averaging 54 cents per hour for the most recent five-year period. The most recent three year period averages 60 cents per hour.

The data table below helps this neutral to look at the effects of these increases on the wage issue before him today. "Patrol" or "Utility II" classification was used because that was used by previous neutrals.

<b>COUNTY</b>	<b>Utility II Wage</b>	<b>Long 10 years</b>	<b>Long 25 years</b>
Benton	\$17.23	\$0.10	\$0.25
Iowa	\$18.47	\$0.25	\$0.55
Jasper	\$20.48	\$0.20	\$0.50
Keokuk	\$17.03	\$0.10	\$0.25
Mahaska	\$18.29	None	None
Marshall	\$19.06	\$0.15	\$0.30
Tama	\$17.62	\$0.30	\$0.45
Washington	\$17.60	None	None
<hr/>			
<b>AVERAGE</b>	<b>\$18.22</b>	<b>\$0.14 (\$18.36)</b>	<b>\$0.29 (\$18.51)</b>
<b>POWESHIEK COUNTY</b>	<b>\$17.75</b>	<b>\$0.44 (\$18.19)</b>	<b>\$1.10 (\$18.85)</b>
<hr/>			
<b>DIFFERENCE</b>	<b>\$00.47Below</b>	<b>(\$00.17)Below</b>	<b>(\$00.34)Above</b>

With the average increase cited above, Poweshiek County workers are showing they are still \$0.47 per hour below this comp group. The neutral is taking into consideration and factoring that Marion and Washington counties have been changed in the groups.



Union Exhibit #20 does provide a similar comparison for the classifications of "Truck Driver" and "Motor Grader" as summarized below:

	<u>Truck Driver</u>	<u>Motor Grader</u>
<u>COMPARABILITY GROUP</u>		
AVERAGE TOP RATE	\$18.37	\$18.65
POWESHIEK ROADS	\$17.25 - \$17.75	\$17.75
<hr/>		
DIFFERENCE	\$1.12 - \$0.62 BELOW	\$0.90 BELOW

It does seem that the increases of the past five years have not substantially changed relative placement or comparisons of the wage rates. They may have slightly improved or moved upward, however, not to any major extent or aberration. The one difference that the undersigned does note is that for employees with many years of experience and tenure within Poweshiek County, the longevity provision does start to provide a substantial benefit and raises the salaries above the average. Although it may take 15 years to 20 years to 25 years of service, the wage scale at that time is beneficial to the bargaining unit. See Union Exhibits #12 and #13. The record is void of the number employees in each classification and at each wage level so any further analysis of relative impact or targeting areas cannot be made by this neutral. While across-the-board wage adjustments are easier to calculate, they do not allow any targeting of specific classifications that may need larger or smaller increases.

Turning to current settlement comparability, we review County Exhibit #14 and Union Exhibit #18. The table generated below contains composite information from those exhibits:

**COUNTY WAGE INCREASES 7-01-09 ON UNION #18 & COUNTY #14**

Benton	3% (TA)	\$0.50/hr	
Iowa	Open		
Jasper	Open		
Keokuk	Open		
Mahaska	3.5%		<b>County 3.5% (C-14)</b>
Marshall	4.5% (TA)	\$0.86/hr	
Tama	2.5% Wages		<b>County 2.0% (C-14)</b>
Washington	3.25%	\$0.60/hr	<b>County 3.0% (C-14)</b>

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<b>AVERAGE</b>	<b>3.35%</b>	<b>\$0.65/hr</b>	<b>2.83%</b>
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<b>POWESHIEK COUNTY</b>	<b>5.00% Union</b>	<b>Union 5.00%</b>
	<b>0.00% County</b>	<b>County 0.00%</b>

Some of the more important groups considered, but not all considered to be equally weighted, included those listed below:

- **Union Fact-Finding Position**      **5.0%**      **\$0.90/hr**
- **Arbitration Award for 2003**      **\$0.44/hr**
- **Historic Five-Year Unit Average (U-#19)**      **\$0.54/hr**
- **Historic Five-Year Unit Range (U-#19)**      **Low \$0.40/hr    High \$0.60/hr**
- **ER– Co. Comp Settlements (C-#14)    3.1%**      **Settled Last Year**
- **ER– Co. Statewide Settlements(C-#14)2.5%**      **Settled This Year #**
- **FF’s County Comp Group      3.5%**      **\$0.653/hr N=3**
- **County – Elected Officials – (C-14)    2.5%**
- **County Fact-Finding Position**      **0.00%**      **\$0.00/hr**

#Not all of these settlements are counties.

If any average or pattern exists, neither party seems to have that as their current position. This neutral does take note that early settlements for this year seem to have dropped a bit from settlements that were made for this year over a year ago, perhaps in the neighborhood of one-half of one percent. The problem with this data is that it very early in the negotiation season, these settlements were voluntary, and absolutely no trend for the coming year has been firmly established. That is one reason the historical data and the historical relationship of the parties take on an added significance for this neutral at this time.

This neutral does not care to project budgets or expenditures or revenues, or what might happen, or might not happen. There are no wage freezes in this record period. There are no 5% settlements in this record period. Concern and weight is given by this neutral to the fact that the parties need to look at actual facts and figures and return to bargaining a long-term, mutual relationship that possesses give and take and some compromise coming from both sides. I believe this will happen when the insurance concerns are resolved.

This neutral wants to recommend a balanced, reasonable recommendation that neither penalizes, nor rewards, but facilitates settlement, or provides the groundwork for reaching that settlement, *while maintaining a somewhat stable relative position.* With that in mind, I believe the following to be the most reasonable position for the parties.

#### **ISSUE #4 – WAGES**

##### **RECOMMENDATION:**

**The wage rate shall be increased across-the-board by \$0.55 per hour.**

### **OTHER CONTRACTUAL ISSUES**

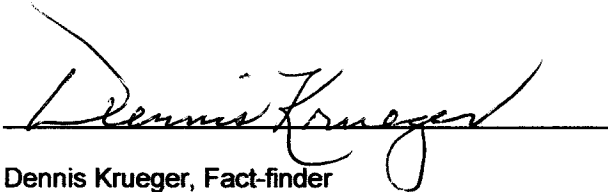
This neutral believes that all issues presented to him have been directly analyzed and recommendations made regarding them. If there is any remaining issue that is unclear or that might have been not directly addressed, my intention and finding is to have the language of the current collective bargaining agreement continue.

### **SUMMARY**

This neutral finally comes to the end of recommendations to the parties that will hopefully settle the dispute between them. If not, perhaps it will serve as a basis for seeking that elusive voluntary agreement to establish some degree of harmony between the Union and the County. Both parties tend to believe that they are 100% correct in their positions and both are incorrect.

Advocates for both the County and the Union have many years of quality bargaining experience and knowledge and did credible work as advocates at this hearing. I do believe both parties would be better served to set aside personalities and refocus on the true issues facing them. It is my honest hope that these findings will move the parties that direction and toward a voluntary settlement.

Dated this 2<sup>nd</sup> day of February, 2009

  
Dennis Krueger, Fact-finder

**JOINT EXHIBIT #1 – Collective Bargaining Agreement**

**JOINT EXHIBIT #2 – Previous Fact-finder's Recommendation**

**JOINT EXHIBIT #3 – Previous Arbitrator's Award**

### CERTIFICATE OF SERVICE

I certify that on this 2<sup>nd</sup> day of Feb, 2009, I served the foregoing "Report of the Fact-finder and Fact-finder's Recommendations" upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Renee Von Bokern

2771 104<sup>th</sup>, Suite H

Des Moines, IA 50322

Joe Rasmussen

P.O Box 219

Solon, IA 52333

I further certify that on this 2<sup>nd</sup> day of February, 2009, I have submitted this "Report of the Fact-finder and Fact-finder's Recommendations" for filing by personally delivering it to the Iowa Public Employment Relations Board, 510 East 12<sup>th</sup> Street, Suite 1B, Des Moines, Iowa 50319-0203.

Dated this 2<sup>nd</sup> day of Feb, 2009

Dennis A. Krueger, Fact-Finder  
1108 6<sup>th</sup> Street  
West Des Moines, Iowa 50265